Government of
Saskatchewan

Annual Report
1987-88

Saskatchewan
Public Employees
Superannuation Plan

91-01547/

The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

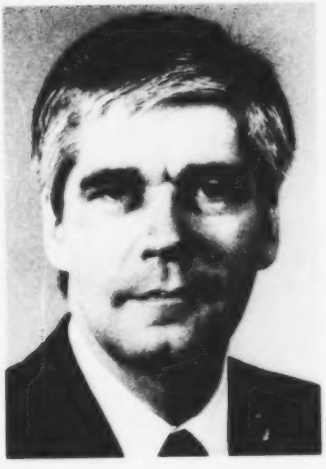
Madam:

I have the honour to transmit herewith the eleventh Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1988.

I have the honour to be, Madam.

Your Obedient Servant

Lorne Hepworth
Minister in Charge
Public Employees Superannuation Plan



The Honourable Lorne Hepworth
Minister in Charge
Public Employees Superannuation Plan
Regina, Saskatchewan

Sir:

On behalf of the Supervisory Board of the Public Employees Superannuation Plan, I have the honour to present herewith the eleventh Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1988.

Respectfully submitted,

Supervisory Board
Public Employees Superannuation Plan

Brian Smith

Brian Smith
Chairman

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Introduction

The Public Employees (Government Contributory) Superannuation Plan is established by section 38 of The Superannuation (Supplementary Provisions) Act.

The plan was established for permanent employees hired on or after October 1, 1977, by the Government of Saskatchewan and other participating public sector employers. As well, employees covered by The Public Service Superannuation Act, The Saskatchewan Power Superannuation Act, The Saskatchewan Telecommunications Superannuation Act, The Liquor Board Superannuation Act, and The Workmen's Compensation Board Superannuation Act were given the opportunity to transfer to the Public Employees Superannuation Plan prior to October 1, 1978.

Non-permanent employees of participating employers were given the option to join the pension plan in 1982.

Operation of the Plan

Members of the plan contribute 5% of their salary to the Public Employees Superannuation Fund. The members' employer contributes a matching amount.

The assets of the pension fund are invested and all earnings are credited to the members' accounts. The accumulated contributions together with interest form the basis of the members' retirement benefit.

Investment earnings are distributed to the members' accounts at March 31 of each year, with proportionate interest being credited on termination refunds or other benefits paid out during the year.

If a member joined the plan prior to August 1, 1982, member contributions are locked-in and the employer share vested with the member after three years of participation in the plan. If the member joined the plan on or after August 1, 1982, member contributions are locked-in and the employer share becomes vested at age 25 if the member has one year of service or more, and at the completion of one year of service if the member is over age 25.

Locked-in means that if the member terminates employment the member cannot receive a cash refund of the member contributions. Those contributions must be paid to the member in the form of an annuity. Vested means that the employer contributions made on behalf of the member also must be used to provide the member with an annuity. The employer does not receive a refund of those contributions if the member terminates employment. The earliest that a terminated member who is locked-in and vested may receive an annuity is at age 55 years.

Until they are eligible for an annuity terminated members who are locked-in and vested may leave the money in the plan or may transfer their account to a locked-in Registered Retirement Savings Plan (RRSP).

Terminated members who are not locked-in and vested may request a cash refund of employee contributions together with interest. If member contributions are refunded, employer contributions also are refunded to the employer.

The normal age of retirement is age 65 years. However, members may retire and start to receive an annuity as early as age 55 years with one year of pensionable service. As well, members may retire at any time after 35 years participation in the plan. Members must commence receiving an annuity prior to their 71st birthday.

Members use employee and employer contributions plus interest to purchase an annuity. Under the terms of an annuity, members are paid a fixed sum of money on a regular basis, usually monthly, for life. Annuities may be purchased from an insurance company or from the Public Employees Annuity Fund.

Married members must purchase a joint life annuity in which case the annuity is guaranteed for the life of the member and the member's spouse. Single members may elect a single life annuity or may choose a 15 year guarantee period. All members are guaranteed that if they die before their total periodic annuity payments equal at least their account balance at retirement, the difference is paid to their beneficiary or estate.

Men and women retiring under the same circumstances receive the same pension as unisex mortality tables are used in the calculation of the annuity.

If the member dies prior to purchasing an annuity, the member's spouse may elect to purchase an annuity with the member's account balance. Alternatively, the spouse may elect to receive a lump sum payment, transfer the funds to an RRSP, or leave the money in an account with the plan. All other beneficiaries are required to receive a lump sum payment of the account balance.

If the member dies after they have purchased an annuity, the benefit payable to the spouse, beneficiary, or estate is dependent on the type of annuity purchased.

Membership Status

Membership at March 31, 1987		17,964
Add:		
Enrollments during the year	1,236	
Reciprocal transfers in	36	1,272
Less:		
Terminations refunded	496	
Death benefits paid	13	
Reciprocal transfers out	60	
Retirement annuities	69	
Transfers to locked-in RRSP's	86	724
Membership at March 31, 1988		18,512

Administration

For the fiscal year 1987-88, the Supervisory Board engaged the services of the Investment and Financial Services Division of Saskatchewan Finance to provide investment advice. Investments are required to be made in accordance with The Canadian and British Insurance Companies Act (Canada) and The Department of Finance Act, 1983 (Saskatchewan).

The Public Employees Benefits Agency provides the day-to-day administration of the pension plan. For the year in question, expenses associated with the administration of the plan are paid out of funds appropriated by the Legislature.

In accordance with section 39 of The Superannuation (Supplementary Provisions) Act, the plan is administered by a seven member Supervisory Board representing employees and employers.

The Supervisory Board extends its appreciation to the staff of the Public Employees Benefits Agency and the Investment and Financial Services Division and to those persons within government departments, agencies and crown corporations whose co-operation and assistance during the year contributed to the continued successful operation of the plan.

Chairman

Brian Smith

Representing Employers

Gerry Kraus (Finance)
Nancy Croll (Health)
Fred Yeo (SaskTel)

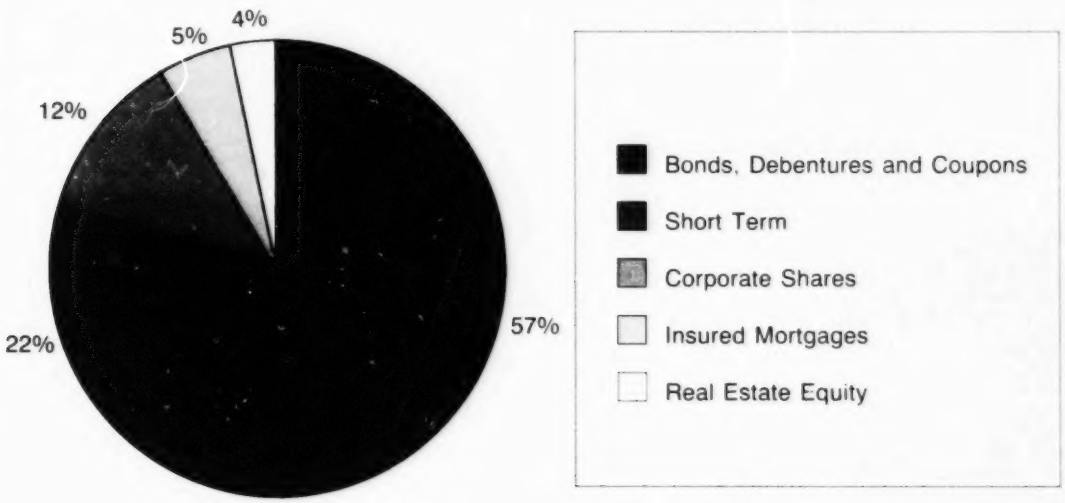
Representing Employees

Ray Bidwell (C.E.W.C.)
Kirby Sanden (I.B.E.W.)
Dan MacKay (S.G.E.U.)

Investments

In 1987-88, the assets of the Public Employees Superannuation Fund were invested by Saskatchewan Finance, Investment and Financial Services Division. The investment portfolio at March 31, 1988 contained the following assets:

Investments by Type



Public Employees Superannuation Plan Investments

Corporate Bonds	$126,801,238	
Government of Saskatchewan Bonds	39,653,365	
Government of Canada Bonds	20,748,018	
Other Provincial Bonds	43,762,309	
Municipal Bonds	9,537,803	
Total Bonds and Coupons		$240,502,733
Short Term		94,369,721
Stocks		49,708,027
Mortgages		20,484,250
Real Estate		14,928,738
Total Investments		$419,993,469

Public Employees (Government Contributory) Superannuation Fund

Schedule of Investment Transactions
Year Ended March 31, 1988

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Gov't. of Canada	Mar. 5/1989	8.00	$ 1,958,000.00	9.333	$ 2,000,000.00
Gov't. of Canada	Mar. 1/2011	9.00	1,444,500.00	9.39	1,500,000.00
Gov't. of Canada	Mar. 1/2011	9.00	960,000.00	9.42	1,000,000.00
Gov't. of Canada	Mar. 1/2011	9.00	471,875.00	9.60	500,000.00
Gov't. of Canada	Mar. 1/2011	9.00	940,000.00	9.65	1,000,000.00
Gov't. of Canada	Oct. 1/1994	9.25	486,250.00	9.79	500,000.00
Gov't. of Canada	June 1/2010	9.50	998,000.00	9.519	1,000,000.00
Gov't. of Canada	June 1/2010	9.50	1,005,000.00	9.443	1,000,000.00
Gov't. of Canada	May 1/2002	10.00	990,000.00	10.13	1,000,000.00
Gov't. of Canada	May 1/2002	10.00	2,962,500.00	10.16	3,000,000.00
Gov't. of Canada	May 1/2002	10.00	988,750.00	10.15	1,000,000.00
Gov't. of Canada	May 1/2002	10.00	928,750.00	10.99	1,000,000.00
Gov't. of Canada	June 1/2008	10.00	1,473,750.00	10.20	1,500,000.00
Gov't. of Canada	Mar. 1/1996	10.25	3,478,125.00	10.36	3,500,000.00
Gov't. of Canada	June 1/2009	11.00	1,972,500.00	11.17	2,000,000.00
Gov't. of Canada	Feb. 1/1993	11.25	532,700.00	9.576	500,000.00
Gov't. of Canada	Dec. 15/1993	11.50	1,977,300.00	9.24	1,800,000.00
Province of Sask.	Dec. 30/1991	9.00	383,000.00	10.31	400,000.00
Province of Sask.	Dec. 30/1991	9.00	6,903,750.00	9.38	7,000,000.00
Province of Sask.	Dec. 11/1996	9.00	1,958,600.00	9.35	2,000,000.00
Province of Sask.	Dec. 30/2004	9.625	1,470,000.00	9.86	1,500,000.00
Province of Sask.	Dec. 30/2004	9.625	1,900,000.00	10.24	2,000,000.00
Province of Sask.	Apr. 16/1996	9.75	987,000.00	10.857	1,050,000.00
Province of Sask.	May 15/2004	10.00	777,593.75	10.91	835,000.00
Province of Sask.	May 15/2004	10.00	442,440.00	10.21	450,000.00
Province of Sask.	Apr. 1/2001	10.25	201,360.00	10.152	200,000.00
Ontario Hydro	Jan. 6/2004	9.25	489,562.50	11.11	525,000.00
Ontario Hydro	May 1/2005	9.75	1,190,625.00	10.34	1,250,000.00
Ontario Hydro	May 1/2005	9.75	1,189,250.00	10.35	1,250,000.00
Ontario Hydro	June 27/2008	9.75	932,500.00	10.56	1,000,000.00
Ontario Hydro	May 10/2009	10.00	986,800.00	10.15	1,000,000.00
Ontario Hydro	May 21/2000	10.25	504,000.00	10.14	500,000.00
Ontario Hydro	Apr. 4/2009	10.25	934,500.00	11.05	1,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	909,700.00	11.38	1,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	967,500.00	10.64	1,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	973,750.00	10.56	1,000,000.00
Ontario Hydro	Jan. 15/2010	10.50	481,875.00	10.93	500,000.00
Ontario Hydro	Jan. 15/2010	10.50	966,250.00	10.90	1,000,000.00
Prov. New Brunswick	Feb. 25/1998	10.00	2,977,500.00	10.14	3,000,000.00
Prov. of Quebec	Feb. 10/2012	9.00	893,250.00	10.19	1,000,000.00
Prov. of Quebec	Feb. 10/2012	9.00	880,000.00	10.35	1,000,000.00
Prov. of Quebec	Apr. 1/1998	10.25	540,000.00	10.25	540,000.00
Quebec Hydro	July 16/2012	10.25	1,990,000.00	10.31	2,000,000.00
Quebec Hydro	July 16/2012	10.25	483,600.00	10.626	500,000.00
Quebec Hydro	Mar. 27/2004	10.75	1,017,500.00	10.52	1,000,000.00
Prov. of Quebec	Apr. 1/2009	11.00	1,498,500.00	11.01	1,500,000.00
Prov. of Quebec	Apr. 1/2009	11.00	993,500.00	11.08	1,000,000.00

Schedule of Investment Transactions

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Prov. of Quebec	Apr. 1/2009	11.00	492,500.00	11.18	500,000.00
Prov. of Quebec	Apr. 1/2009	11.00	490,000.00	11.24	500,000.00
Prov. of Quebec	Apr. 1/2009	11.00	487,500.00	11.31	500,000.00
Prov. Newfoundland	Feb. 25/2010	9.375	1,016,865.00	10.73	1,149,000.00
Prov. Newfoundland	Mar. 4/2006	11.00	976,250.00	11.30	1,000,000.00
Alberta Energy Corp.	Sept. 30/2003	7.25	1,750,000.00	7.25	1,750,000.00
Avco Financial Serv.	Oct. 27/1992	11.625	493,750.00	11.63	500,000.00
Bk Nova Scotia Mtge	Feb. 5/1990	8.40	1,000,000.00	8.40	1,000,000.00
Bell Canada	July 15/2009	10.50	4,856,250.00	10.85	5,000,000.00
Bell Canada	July 15/2009	10.50	945,300.00	11.17	1,000,000.00
Bell Canada	June 15/2007	10.875	982,500.00	11.09	1,000,000.00
Bell Canada	June 15/2007	10.875	1,005,500.00	10.80	1,000,000.00
Beneficial Finance	July 14/1992	10.25	2,003,800.00	10.20	2,000,000.00
C.N.R.	May 1/2005	12.25	550,000.00	10.96	500,000.00
Cambridge Converts	Mar. 1/2003	8.00	1,000,000.00	8.00	1,000,000.00
Canadian Utilities	Oct. 15/2007	12.00	2,500,000.00	12.00	2,500,000.00
C.I.B.C. Euro	May 30/1991	9.25	474,500.00	11.05	500,000.00
C.I.B.C. Mtge	June 25/1991	9.80	986,400.00	10.25	1,000,000.00
Consumers Gas	June 1/2006	9.875	900,200.00	11.15	1,000,000.00
Consumers Gas	July 6/2012	10.60	1,662,500.00	11.20	1,750,000.00
Consumers Gas	July 6/2012	10.60	1,184,375.00	11.23	1,250,000.00
Consumers Gas	July 6/2012	10.60	458,750.00	11.62	500,000.00
Consumers Gas	July 6/2012	10.60	895,000.00	11.92	1,000,000.00
Consumers Gas	July 6/2012	10.60	882,500.00	12.10	1,000,000.00
Domtar	Apr. 15/2011	10.00	1,496,250.00	10.028	1,500,000.00
Domtar	Sept. 1/2006	10.35	1,377,450.00	11.41	1,500,000.00
Domtar	Aug. 5/2017	10.85	1,492,500.00	10.91	1,500,000.00
Domtar	Aug. 5/2017	10.85	1,393,800.00	11.71	1,500,000.00
Dylex	June 30/1997	9.25	2,250,000.00	9.25	2,250,000.00
Great Lakes Invest	Apr. 28/1996	12.50	439,875.00	12.50	439,875.00
Guarantee Trust	July 30/1990	10.25	500,250.00	10.27	500,000.00
Loblaw	Apr. 15/2007	10.00	2,000,000.00	10.00	2,000,000.00
Loblaw Corp. Ltd.	Apr. 15/2007	10.00	958,750.00	10.50	1,000,000.00
Marathon Realty	Aug. 15/2006	10.50	941,250.00	11.25	1,000,000.00
Montreal Trust	Jan. 29/1993	9.95	1,000,000.00	9.95	1,000,000.00
Montreal Trust Euro	Mar. 20/1991	10.00	469,650.00	12.237	500,000.00
Montreal Trust Euro	Dec. 18/1991	10.00	471,875.00	11.41	500,000.00
Montreal Trust Euro	Dec. 18/1991	10.00	490,750.00	10.59	500,000.00
Montreal Trust	Feb. 20/1998	10.75	982,500.00	11.018	1,000,000.00
National Vic & Grey	July 1/1991	9.90	485,050.00	10.90	500,000.00
Nova	Oct. 1/2007	11.95	991,000.00	12.07	1,000,000.00
Investors Syndicate	Jan. 16/2006	10.60	1,000,000.00	10.60	1,000,000.00
Investors Syndicate	Jan. 16/2006	10.60	965,000.00	11.04	1,000,000.00
Royal Trust	June 1/1992	9.90	545,765.00	10.10	550,000.00
Royal Trust	Aug. 1/1997	10.20	500,000.00	10.20	500,000.00
Royal Trust	Nov. 2/2000	11.25	1,000,000.00	11.25	1,000,000.00
Royal Trust	Nov. 2/2000	11.40	1,000,000.00	11.40	1,000,000.00
Roynat	July 28/1989	9.95	1,105,940.00	9.55	1,100,000.00
Trans Canada Pipe	July 20/2002	10.80	2,000,000.00	10.80	2,000,000.00
World Bank	Mar. 2/2008	10.50	1,001,250.00	10.49	1,000,000.00
Xerox Canada	Oct. 15/007	12.15	965,000.00	12.63	1,000,000.00
Xerox Financing	Oct. 15/2007	12.15	2,000,000.00	12.15	2,000,000.00
			$118,210,251.25		$121,038,875.00

Schedule of Investment Transactions

Bonds, Debentures Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Gov't. of Canada	Mar. 15/1989	8.00	$ 1,958,000.00	$ 1,958,000.00	$ 2,000,000.00
Gov't. of Canada	July 1/1989	8.50	1,970,200.00	2,038,800.00	2,000,000.00
Gov't. of Canada	Mar. 1/2011	9.00	976,970.00	963,000.00	1,000,000.00
Gov't. of Canada	Mar. 1/2011	9.00	970,000.00	960,000.00	1,000,000.00
Gov't. of Canada	Dec. 6/1987	9.25	5,007,000.00	4,991,050.00	5,000,000.00
Gov't. of Canada	Dec. 6/1987	9.25	2,002,800.00	2,014,000.00	2,000,000.00
Gov't. of Canada	Oct. 1/1994	9.25	494,375.00	486,250.00	500,000.00
Gov't. of Canada	May 1/2002	10.00	1,016,500.00	990,000.00	1,000,000.00
Gov't. of Canada	May 1/2002	10.00	3,048,750.00	2,962,500.00	3,000,000.00
Gov't. of Canada	May 1/2002	10.00	1,016,500.00	988,750.00	1,000,000.00
Gov't. of Canada	May 1/2002	10.00	1,016,250.00	928,750.00	1,000,000.00
Gov't. of Canada	June 1/2008	10.00	1,491,000.00	1,473,750.00	1,500,000.00
Gov't. of Canada	June 1/2009	11.00	2,126,000.00	1,972,500.00	2,000,000.00
Gov't. of Canada	Feb. 1/1993	11.25	528,750.00	450,625.00	500,000.00
Gov't. of Canada	Sept. 1/2005	12.25	528,750.00	450,625.00	500,000.00
Gov't. of Sask.	Dec. 30/1991	9.00	819,843.75	841,417.50	825,000.00
Gov't. of Sask.	Dec. 30/1991	9.00	1,167,656.25	1,158,843.75	1,175,000.00
Gov't. of Sask.	Oct. 2/1987	9.25	1,000,000.00	987,600.00	1,000,000.00
Gov't. of Sask.	Jan. 15/1991	9.50	391,600.00	401,000.00	400,000.00
Ontario Hydro	May 1/2005	9.75	1,170,953.50	1,190,625.00	1,250,000.00
Ontario Hydro	May 1/2005	9.75	228,443.50	223,579.00	235,000.00
Ontario Hydro	May 21/2000	10.25	503,400.00	504,000.00	500,000.00
Ontario Hydro	May 30/1995	11.25	1,019,600.00	1,082,500.00	1,000,000.00
Prov. of Quebec	Apr. 1/1998	10.25	540,000.00	540,000.00	540,000.00
B.C. Building Corp	Sept. 8/1987	15.50	250,000.00	249,375.00	250,000.00
Nova Scotia	Nov. 1/1993	12.00	540,300.00	493,750.00	500,000.00
Newfoundland	Mar. 4/2006	11.00	1,016,200.00	1,040,000.00	1,000,000.00
Algoma Steel	May 15/1997	17.375	55,000.00	55,412.50	55,000.00
Avco Financial Serv	Feb. 6/1989	12.25	507,250.00	500,000.00	500,000.00
Bell Canada	July 15/2009	10.50	4,821,250.00	4,856,250.00	5,000,000.00
Bell Canada	July 15/2009	10.50	498,750.00	472,650.00	500,000.00
Beneficial Canada	Dec. 19/1988	9.90	2,010,200.00	1,975,000.00	2,000,000.00
C.N.R.	Nov. 15/2004	13.00	19,000.00	19,000.00	19,000.00
Cambridge Leaseholds	Mar. 31/2002	10.60	4,691.60	4,691.60	4,691.60
Chase Man. Canada	Sept. 14/1987	15.25	500,000.00	500,000.00	500,000.00
CIBC Euro	May 30/1991	9.25	485,000.00	474,500.00	500,000.00
CIBC Mortgage Corp	Mar. 11/1991	9.90	992,200.00	996,100.00	1,000,000.00
CIBC Mortgage Corp	Sept. 1/1988	12.75	570,075.00	550,000.00	550,000.00
Cdn Permanent Trust	June 12/1989	11.00	1,020,700.00	1,000,000.00	1,000,000.00
Consumer Gas	July 6/2012	10.60	997,500.00	950,000.00	1,000,000.00
Consumer Gas	Nov. 30/1996	17.75	19,000.00	19,000.00	19,000.00
Domtar	Aug. 5/2017	10.85	1,511,550.00	1,492,500.00	1,500,000.00
Domtar	Aug. 5/2017	10.85	503,850.00	464,600.00	500,000.00
George Weston	June 15/2000	12.75	25,000.00	25,000.00	25,000.00
George Weston	Dec. 1/1997	14.125	25,000.00	25,000.00	25,000.00
Household Fin Corp	Feb. 12/1988	11.25	515,100.00	500,000.00	500,000.00
ICG Utilities	Nov. 14/2003	13.50	45,000.00	45,000.00	45,000.00

Schedule of Investment Transactions

Bonds, Debentures Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
ICG Utilities	Nov. 29/2002	14.00	21,000.00	21,000.00	21,000.00
Inland Natural Gas	Nov. 15/1996	18.25	27,000.00	27,000.00	27,000.00
Interhome Energy Inc	July 15/1996	10.875	69,000.00	72,018.75	69,000.00
Interhome Energy Inc	Apr. 1/2004	13.40	19,000.00	19,000.00	19,000.00
Montreal Trust	Mar. 20/1991	10.00	478,500.00	496,250.00	500,000.00
Montreal Trust	Mar. 20/1991	10.00	485,625.00	469,650.00	500,000.00
Montreal Trust	Dec. 18/1991	10.00	465,625.00	471,875.00	500,000.00
Norcen Energy Res	Dec. 20/2003	13.25	54,000.00	54,000.00	54,000.00
Nova & Alta Corp	Dec. 31/1997	11.25	1,567,650.00	1,500,000.00	1,500,000.00
Nova & Alta Corp	Feb. 15/1997	17.75	60,000.00	59,700.00	60,000.00
Pacific North. Gas	May 1/1997	18.00	52,000.00	52,000.00	52,000.00
Producers Pipeline	June 30/1995	12.00	61,111.12	61,111.12	61,111.12
Royal Trust	Nov. 1/1989	9.125	976,800.00	1,000,350.00	1,000,000.00
Royal Trust	May 27/1988	10.875	1,032,400.00	1,000,000.00	1,000,000.00
Stelco	Oct. 1/2000	13.50	107,000.00	107,000.00	107,000.00
T.D. Bank	July 15/1996	16.00	40,000.00	40,000.00	40,000.00
T. Eaton Centre	June 1/2000	12.00	9,000.00	8,280.00	9,000.00
T. Eaton Centre	June 30/2000	15.00	14,000.00	14,000.00	14,000.00
Trans Canada Pipe	July 20/2002	10.80	976,250.00	1,000,000.00	1,000,000.00
Trans Canada Pipe	Dec. 20/1996	18.00	52,000.00	52,000.00	52,000.00
Union Gas	Nov. 1/2002	14.25	27,000.00	27,000.00	27,000.00
Vic & Grey Trust Co	July 22/1988	12.25	507,550.00	500,000.00	500,000.00
Vic & Grey Trust Co	July 13/1988	12.125	514,450.00	500,000.00	500,000.00
Vic & Grey Trust Co	July 15/1988	12.125	617,265.00	600,000.00	600,000.00
West Kootenay Power	Apr. 1/1998	14.25	19,000.00	19,000.00	19,000.00
Westcoast Energy	July 15/2000	12.25	35,000.00	36,750.00	35,000.00
Xerox Canada	Oct. 15/2007	12.15	380,625.00	337,750.00	350,000.00
			$56,594,809.72	$55,811,729.22	$56,533,802.72

Net increase in bonds, debentures and coupons at par value (121,038,875 – 56,533,803)	$ 64,505,072
Add: Bonds, debentures and coupons as at March 31, 1987 at par value	180,299,649
Total bonds, debentures and coupons (par value) March 31, 1988	$244,804,721
Less: Unamortized discount	4,301,989
Total bonds, debentures and coupons (at amortized cost) March 31, 1988	$240,502,732
Total bonds, debentures and coupons (at amortized cost) March 31, 1987	178,032,805
Net increase in bonds, debentures and coupons at amortized cost	$ 62,469,927

Short Term Investments	Purchased	Disposed	Net
Transactions during year	$491,452,310	$482,618,336	$8,833,974

Schedule of Investment Transactions

Insured Mortgages at Cost — Transactions During the Fiscal Year 1987-88	Interest Rate %	Principal Purchased	Principal Reduction	Net
Met. Trust — Albert Square	11.00	$	$ 23,959	$ (23,959)
Maritime Life — Forest Gardens	11.375	8,608		8,608
Bancorp Financial — E & E Hauling	11.625	6,830	1,248	5,582
T.D. Bank — Sunrise Gardens	13.00	339		339
H.A. Roberts — Regina Market Mall	14.00		5,824	(5,824)
Morguard Trust — Southgate Plaza	14.375	5,349		5,349
Co-op Trust — Hugh Garner	15.75		995,967	(995,967)
Co-op Trust — Briarview Co-op	18.75		2,339	(2,339)
Co-op Trust — Ann Marie Hill — Phase I	20.75		499,799	(499,799)
Co-op Trust — Ann Marie Hill — Phase II	19.50		499,689	(499,689)
Montrose Mtge. — Westfor	17.00		181,538	(181,538)
Co-op Trust — Frank Fairchild	21.50		499,685	(499,685)
London Life — Nepean, Ont.	14.00		9,757	(9,757)
Morguard Inv. Ltd. — Parkview Square	13.50		16,802	(16,802)
Montrose Mtge. — Rivergate Estates	14.13		1,519	(1,519)
T.D. Bank — Denand Investments	14.25		1,436	(1,436)
Montrose Mtge. — Evergreen Place	14.50	683	1,822	(1,139)
Montrose Mtge. — Pines of Normanview	13.40		1,106,096	(1,106,096)
Met. Trust — Kipling Towers	7.25		52,153	(52,153)
Met. Trust — Glendale Lodge	9.75		15,123	(15,123)
Met. Trust — Hyde Park I	13.375		37,966	(37,966)
Met. Trust — Hyde Park II	14.75		9,230	(9,230)
Royal Trust — Surrey Place	10.25		794,096	(794,096)
Montrose Mtge. — Parkview Office	11.50		5,444	(5,444)
Western Ltd. — Lakewood Plaza	11.625		8,377	(8,377)
Met. Trust — Parkside Nursing	9.75		61,113	(61,113)
National Trust — Jaywell	11.25		6,612	(6,612)
Met. Trust — Eastview Square	11.25		10,910	(10,910)
Met. Trust — Gene's Ltd.	11.125		8,329	(8,329)
Met. Trust — Nova Scotia Hsg	11.125	1,416,684		1,416,684
Met. Trust — Desrocher Develop	10.75		9,826	(9,826)
Met. Trust — C.G. Properties	10.125	500,000	12,617	487,383
Canada Life Mtge — Linden Square	10.75	848,640		848,640
		$2,787,133	$4,879,276	$(2,092,143)

Real Estate Equity — Transactions for the Fiscal Year 1987-88	Purchased	Disposed	Net
Pension Fund Realty — Coquitlam Regional Shopping Centre	$ 39,450	$	$ 39,450
Pension Fund Realty — Development Series I		8,440	(8,440)
Great West Life — Keywest	6,684		6,684
Sask. Pen Properties — Voting Class	430,000	1,000	429,000
H.A. Roberts — South Broad Plaza	12,537	4,806	7,731
Winfield Realty — Victoria Industrial Place	26,252		26,252
High PF Mgr Services — Viking Rideau		1,392	(1,392)
Pension Fund Realty — Dynamic Drive Series	966,135		966,135
S.P. Two Properties — Common	450,000		450,000
Weyburn Square Developments — Weyburn Square	2		2
	$1,931,060	$15,638	$1,915,422

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions Year Ended March 31, 1988	Shares	Purchased	Disposed	Net
Alcan Aluminum Ltd. — Common	7,300	$ 212,824	$	$ 212,824
Algo Group Units	30,000		219,600	(219,600)
Algo Group Warrants	15,000		15,000	(15,000)
Algo Group Inc. "A"	28,800		232,704	(232,704)
American Barrick	3,600	78,205		78,205
Asamera Inc	100,000	1,218,500		1,218,500
Asamera Inc	57,500		700,637	(700,637)
B.C. Telephone	50,000	1,391,500		1,391,500
Bank of Montreal — Common	25,000	820,750		820,750
Bank of Nova Scotia	141,700	2,250,295		2,250,295
Bank of Nova Scotia	50,000		803,618	(803,618)
Baton Broadcasting	16,700	198,052		198,052
Baton Broadcasting	16,700		198,052	(198,052)
Belkin Packaging	40,900		754,967	(754,967)
Bell Canada Enterprises	8,000	292,240		292,240
Brascan CL.A.	500	13,359		13,359
Campbell Red Lake Mines	7,000		140,000	(140,000)
CM NT Equity	20,000	183,300		183,300
CIBC	33,000		578,259	(578,259)
CIBC	65,000	1,372,000		1,372,000
Canadian Pacific Ltd. — Common	77,700	1,603,926		1,603,926
Canadian Pacific Ltd. — Common	67,400		1,350,604	(1,350,604)
Canadian Tire	3,600	42,480		42,480
Canadian Tire "A"	73,300	1,101,732		1,101,732
Canron Ltd. "A"	84,500	1,410,728		1,410,728
Canron Ltd. "A"	84,500		1,410,728	(1,410,728)
Chum Ltd. "B"	50,000	753,000		753,000
Chum Ltd. "B"	50,000		753,000	(753,00)
Consumers Distributing B	110,000		537,400	(537,400)
Dofasco Ltd. — Common	54,600	1,320,519		1,320,519
Dofasco Ltd. — Common	50,000		1,220,383	(1,220,383)
Dome Mines	16,500		198,000	(198,000)
Echo Bay Mines	2,000	52,060		52,060
Enerplus Resources Series C	150,000	1,500,000		1,500,000
Falconbridge Ltd.	700	12,184		12,184
First Australia Prime Income	100,000	1,043,500		1,043,500
First Australia Prime Income	169,300		1,776,001	(1,776,001)
Gendis "A"	21,500		404,200	(404,200)
Grafton Group "A"	64,800	1,040,688		1,040,688
Grafton Group "A"	64,800		1,040,688	(1,040,688)
Great Lakes Investment	4,888	48,875		48,875
Guardian Pacific RIM	50,000		640,500	(640,500)
Hayes-Dana Inc.	100,000	1,156,000		1,156,000
Hayes-Dana Inc.	50,000		578,000	(578,000)
Hudson Bay Northern Stores	200,000	1,000,000		1,000,000
Imasco Ltd.	80,000	2,252,350		2,252,350
Imasco Ltd.	50,000		1,443,444	(1,443,444)
Imperial Oil	2,100	130,392		130,392
Inco	3,900	73,242		73,242

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions Year Ended March 31, 1988	Shares	Purchased	Disposed	Net
Inland Natural Gas	87,500		1,128,750	(1,128,750)
Iona Appliances	10,000		64,250	(64,250)
John Forsythe Warrants	50,000		50,000	(50,000)
John Forsythe Units	100,000		775,000	(775,000)
John Labatt	4,000	89,056		89,056
L.S.I. Logic Corp	20,000	150,000		150,000
L.S.I. Logic Corp	20,000		150,000	(150,000)
Lonvest Corp	50,000	1,184,400		1,184,400
Lumonics Inc.	35,000		299,950	(299,950)
Mitel Corp	100,000	591,500		591,500
Moffatt Communications Limited	10,000	161,000		161,000
Moffatt Communications Limited	11,000		167,145	(167,145)
Molson Companies "A"	20,500	495,078		495,078
Molson Companies "A"	70,500		1,724,328	(1,724,328)
Moore Corporation	50,000	1,555,000		1,555,000
Moore Corporation	50,000		1,397,681	(1,397,681)
Moore Corp Ltd.	27,900	706,252		706,252
Moore Corp Ltd.	27,900		706,252	(706,252)
National Bank of Canada	30,200	307,331		307,331
Noranda Forest Inc.	50,000	975,000		975,000
Noranda Forest Inc.	50,000		975,000	(975,000)
Noranda Mines Inc.	4,700	95,382		95,382
Northern Telecom	3,300	67,383		67,383
Noverco Inc.	114,100	1,405,142		1,405,142
Noverco Inc.	114,100		1,405,142	(1,405,142)
Placer Developments	27,000		298,992	(298,992)
Placer Dome	52,955	636,992		636,992
Power Corp	74,600	1,022,447		1,022,447
Power Financial	50,300	1,001,621		1,001,621
Rio Algom Ltd.	80,800	1,820,080		1,820,080
Rio Algom Ltd.	143,500		3,061,870	(3,061,870)
Royal Bank of Canada	80,300	2,371,484		2,371,484
Royal Bank of Canada	116,000		3,614,933	(3,614,933)
SaskOil Preferred	8,500		76,500	(76,500)
Southam Inc.	90,000	1,653,075		1,653,075
Southam Inc.	90,000		1,687,719	(1,687,719)
Steinberg's Ltd. "A"	20,000	742,400		742,400
Steinberg's Ltd. "A"	20,000		742,400	(742,400)
Synergistics Ind Ltd.	78,000	608,400		608,400
Synergistics Ind Ltd.	10,000		78,000	(78,000)
TCC Beverages Ltd.	100,000	850,000		850,000
Teck Corp "B"	1,100	35,233		35,233
Teck Corp "D"	2,000		253,000	(253,000)
Thomson Newspapers	200	4,541		4,541
Transalta	30,000	873,000		873,000
Transalta (Restructure)	0		48,000	(48,000)
Tree Island Steel	80,000		885,600	(885,600)
Trilon Financial Corp	30,000	452,400		452,400
Trilon Financial Corp	30,000		451,955	(451,955)

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions Year Ended March 31, 1988	Shares	Purchased	Disposed	Net
Western International Comm	16,200	173,421		173,421
Western International Comm	46,200		471,021	(471,021)
Xerox Canada	60,000	1,458,600		1,458,600
A.G. Edwards Inc.	31,700	1,251,160		1,251,160
A.G. Edwards Inc.	31,700		1,251,160	(1,251,160)
AMR Corp	20,000		1,487,629	(1,487,629)
AON Corp	40,000		1,485,966	(1,485,966)
Alco Health Services	50,000	1,182,600		1,182,600
Alco Health Services	50,000		1,182,600	(1,182,600)
Allegis Corp	20,000	1,866,679		1,866,679
Allegis Corp	20,000		1,866,679	(1,866,679)
American Capital Mgmt & Research	99,500	2,346,017		2,346,017
American Capital Mgmt & Research	99,500		2,346,017	(2,346,017)
Archer, Daniels, Midland	100,000	2,533,736		2,533,736
Archer, Daniels, Midland	100,000		2,533,736	(2,533,736)
Archer, Daniels, Midland	60,000	1,556,658		1,556,658
Archer, Daniels, Midland	60,000		1,556,658	(1,556,658)
Ausimont Compo	65,300	1,830,169		1,830,169
Ausimont Compo	65,300		1,830,169	(1,830,169)
Bernard Chaus Inc.	20,900		427,486	(427,486)
Beverly Enterprises	30,000	613,185		613,185
Beverly Enterprises	30,000		613,185	(613,185)
CBS Inc.	5,000	974,611		974,611
CBS Inc.	5,000		974,611	(974,611)
Capital Holding Corp	85,400	3,371,917		3,371,917
Capital Holding Corp	85,400		3,371,917	(3,371,917)
Central Fund	134,000	1,060,755		1,060,755
Central Fund	134,000		1,060,755	(1,060,755)
Chi-Chi's Inc.	20,000		187,627	(187,627)
Chubb Corporation	60,000	4,895,210		4,895,210
Chubb Corporation	60,000		4,895,210	(4,895,210)
Cleveland Cliffs Inc.	40,000	891,921		891,921
Cleveland Cliffs Inc.	40,000		891,921	(891,921)
Coastal Corp	30,000	1,112,887		1,112,887
Combustion Engineering	25,000	1,109,531		1,109,531
Combustion Engineering	25,000		1,109,531	(1,109,531)
Consolidated Rail	80,000	3,139,267		3,139,267
Consolidated Rail	80,000		3,139,267	(3,139,267)
Continental Corp	20,000	1,173,794		1,173,794
Continental Corp	20,000		1,173,794	(1,173,794)
Corning Glass Works	20,000	1,205,330		1,205,330
Corning Glass Works	20,000		1,205,330	(1,205,330)
Farah Manufacturing	30,000	603,033		603,033
Farah Manufacturing	30,000		603,033	(603,033)
Firemans Fund	40,000	1,384,067		1,384,067
Firemans Fund	40,000		1,384,067	(1,384,067)
First Family Group	35,000	190,536		190,536
First Family Group	35,000		190,536	(190,536)
Formica Corp	70,000	1,093,843		1,093,843

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions Year Ended March 31, 1988	Shares	Purchased	Disposed	Net
Formica Corp	70,000		1,093,843	(1,093,843)
General Dynamics	24,100	2,195,731		2,195,731
General Dynamics	24,100		2,195,731	(2,195,731)
Gibson Greetings	60,000	1,166,987		1,166,987
Gibson Greetings	60,000		1,166,987	(1,166,987)
Harris Corp	40,000	1,275,188		1,275,188
Harris Corp	40,000		1,275,188	(1,275,188)
Hasbro Inc.	53,000	1,401,658		1,401,658
Hasbro Inc.	53,000		1,401,658	(1,401,658)
Hasbro Inc.	25,000	441,465		441,465
Hasbro Inc.	25,000		441,465	(441,465)
Household International Inc	20,000	1,369,966		1,369,966
Household International Inc	20,000		1,369,966	(1,369,966)
Humana Inc	40,000	935,749		935,749
Humana Inc	40,000		935,749	(935,749)
ITT Corp	2,700	158,035		158,035
ITT Corp	2,700		158,035	(158,035)
Interco Inc	30,000	1,582,438		1,582,438
Interco Inc	30,000		1,582,438	(1,582,438)
KLM Royal Dutch Air	100,000	2,320,008		2,320,008
KLM Royal Dutch Air	100,000		2,320,008	(2,320,008)
Kemper Corp	50,000	2,055,375		2,055,375
Lincoln National Corp	20,000		1,342,526	(1,342,526)
Lockheed Corp	8,900	418,897		418,897
Lockheed Corp	58,900		3,864,743	(3,864,743)
Lowe's Companies	40,000	1,364,990		1,364,990
Lowe's Companies	40,000		1,364,990	(1,364,990)
Lowe's Companies	40,000	1,393,102		1,393,102
Lowe's Companies	40,000		1,393,102	(1,393,102)
Loew's Corp	20,000	1,699,377		1,699,377
Loew's Corp	20,000		1,699,377	(1,699,377)
M/A Com Inc	28,800	541,997		541,997
M/A Com Inc	28,800		541,997	(541,997)
Meredith Corp	60,000	2,347,599		2,347,599
Meredith Corp	75,000		3,043,713	(3,043,713)
Minnesota Mining & Mfg	37,900	2,869,753		2,869,753
Minnesota Mining & Mfg	37,900		2,869,753	(2,869,753)
Morgan Stanley Group	43,200	4,058,738		4,058,738
Morgan Stanley Group	70,900		6,618,606	(6,618,606)
National Medical Entpr	15,400	353,645		353,645
National Medical Entpr	15,400		353,645	(353,645)
Newmont Mining Corp	20,000	924,227		924,227
Owens-Corning	40,000	1,255,099		1,255,099
Owens-Corning	40,000		1,255,099	(1,255,099)
Philip Morris Cos	15,000	1,674,130		1,674,130
Philip Morris Cos	15,000		1,674,130	(1,674,130)
Pilgrims Pride Inc	20,000	344,920		344,920
Pilgrims Pride Inc	20,000		344,920	(344,920)
Proctor & Gamble	20,000	2,037,728		2,037,728

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions Year Ended March 31, 1988	Shares	Purchased	Disposed	Net
Rockwell Intl	91,500	2,671,233		2,671,233
Rockwell Intl	91,500		2,671,233	(2,671,233)
Shearson Lehman Bros	56,000	2,315,623		2,315,623
Shearson Lehman Bros	56,000		2,315,623	(2,315,623)
Shoney's South	20,000	321,348		321,348
Shoney's South	40,000		728,676	(728,676)
Staley Continental	63,700	2,016,388		2,016,388
Staley Continental	119,100		4,034,043	(4,034,043)
Tandy Corp	45,000	2,370,200		2,370,200
Tandy Corp	45,000		2,370,200	(2,370,200)
Tech-Sym Corp	35,000	753,091		753,091
Tech-Sym Corp	35,000		753,091	(753,091)
Textron	30,000	1,168,323		1,168,323
Textron	30,000		1,168,323	(1,168,323)
Torchmark Corp	40,000	1,461,244		1,461,244
Torchmark Corp	40,000		1,461,244	(1,461,244)
Transamerica Corp	50,000		2,307,260	(2,307,260)
U.A.L. Incorporated	15,000	1,107,598		1,107,598
U.A.L. Incorporated	15,000		1,107,598	(1,107,598)
Unum Corporation	50,000	1,577,240		1,577,240
Unum Corporation	50,000		1,577,240	(1,577,240)
VF Corp	25,000	785,780		785,780
VF Corp	25,000		785,780	(785,780)
Xerox Corp	25,000	1,703,914		1,703,914
Xerox Corp	25,000		1,703,914	(1,703,914)
Totals		$133,884,609	$135,570,051	$(1,685,442)

Summary of Investment Transactions (At Cost)	1987-88	1986-87
Bonds, Debentures and Coupons (at amortized cost)	$ 62,469,928	$ 23,884,598
Insured Mortgages	(2,092,143)	566,127
Corporate Shares	(1,685,442)	25,673,958
Real Estate Equity	1,915,422	3,012,263
Short Term	8,833,974	29,098,746
Total Investment Transactions — Net Increase	$ 69,441,739	$ 82,235,692
Investments Beginning of Fiscal Year (At Cost)	350,551,730	268,316,038
	$419,993,469	$350,551,730

Public Employees (Government Contributory) Superannuation Plan Supervisory Board

Public Employees (Government Contributory) Superannuation Fund

Financial Statements

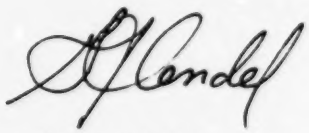
For the Year Ended March 31, 1988

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Superannuation Fund as at March 31, 1988, and the statements of changes in members' accumulated balances, and changes in unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
March 28, 1990

G. F. Wendel, C.A.
A/Provincial Auditor

Statement 1

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Financial Position

As at March 31

	1988	1987
Assets		
Cash	$ 928,585	$ —
Contributions and transfers receivable	1,025,559	1,033,488
Accounts receivable — Public Employees (Government Contributory) Annuity Fund	67,288	61,737
Accrued investment income	8,554,989	6,757,298
Investments (Note 3)	419,993,469	350,551,730
Unamortized (gain)/loss on investments sold (net)	(8,846,907)	(9,309,996)
	$421,722,983	$349,094,257
Liabilities and Fund Balance		
Liabilities:		
Bank indebtedness, including outstanding cheques	$ —	$ 153,992
Refunds, transfers and other payables	1,242,568	988,549
Deferred revenue	21,800	22,800
Members' accumulated balances (Statement 2) (Note 4)	420,362,622	347,268,747
	$421,626,990	$348,434,088
Fund Balance:		
Unallocated members' fund balance (Statement 3)	$ 95,993	$ 660,169
	$421,722,983	$349,094,257

(See accompanying notes)

Statement 2

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Members' Accumulated Balances

Year Ended March 31

	1988	1987
Members' accumulated balances, beginning of year	$347,268,747	$269,434,713
Add:		
Employee and employer current contributions	38,902,852	38,750,999
Reciprocal transfers in	1,214,194	1,316,220
Earnings allocated to members (Statement 3)	39,738,275	41,309,685
	427,124,068	350,811,617
Deduct:		
Termination refunds	885,653	660,218
Lump sum retirement benefits	707	849
Death benefits	298,473	240,722
Transfers to Public Employees (Government Contributory) Annuity Fund	1,789,732	1,254,591
Reciprocal transfers out	1,638,865	754,269
Annuity contract purchases — private	2,148,016	632,221
	6,761,446	3,542,870
Members' accumulated balances, end of year	$420,362,622	$347,268,747

(See accompanying notes)

Statement 3

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Unallocated Fund Balance

Year Ended March 31

	1988	1987
Unallocated fund balance, beginning of year	$ 660,169	$ 746,542
Add:		
Interest on final payments from Public Employees (Government Contributory) Annuity Fund	5,550	—
Investment earnings	39,168,549	41,225,619
	39,834,268	41,972,161
Deduct:		
Allocation of earnings to:		
— Members' accumulated balances (Statement 2)	39,738,275	41,309,685
— Interest on final payment to Public Employees (Government Contributory) Annuity Fund	—	2,307
	39,738,275	41,311,992
Unallocated fund balance, end of year (Statement 1)	$ 95,993	$ 660,169

(See accompanying notes)

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Notes to Financial Statements

March 31, 1988

1. Description of Plan

The Superannuation (Supplementary Provisions) Act established the Public Employees (Government Contributory) Superannuation Plan effective October 1, 1977. Specified contributions and interest earnings thereon are accumulated for each contributor in the fund for the ultimate purpose of providing for a guaranteed life annuity for the contributor at the time of retirement.

Upon retirement from the Public Employees (Government Contributory) Superannuation Plan, an employee may elect to receive an annuity from the Supervisory Board or from a private annuity underwriter. On March 31, 1986 all annuity underwriting activities administered by the Board were transferred to the Public Employees (Government Contributory) Annuity Fund.

2. Significant Accounting Policies

a) **Investments**
The Fund records all investment transactions at cost.

Premiums and discounts on the acquisition of bonds, debentures and coupons are amortized to earnings over the term of the security.

Gains or losses on the disposal of fixed income securities are deferred and amortized over the remaining term of the security sold.

b) **Reciprocal Transfers**
Reciprocal agreements have been signed with other pension plans, setting forth conditions and procedures for the transfer of an individual's accumulated contributions and earnings to or from another pension plan following a change in employment. Such transfers into (out of) the Fund are recorded as receivable (payable) at the date on which an authorization for the transfer of funds is signed by the employee, provided that information is available to allow calculation of the amount to be transferred.

c) **Annuity Underwriting Operations**
For those members who have elected to have their retirement annuities underwritten by the plan, the members' accumulated balances at the date of retirement are transferred to the annuity underwriting operations of the Public Employees (Government Contributory) Annuity Fund.

3. Investments

	1988		1987	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Government of Canada	$ 20,600,000	$ 21,783,000	$ 20,800,000	$ 22,967,688
Province of Saskatchewan	40,775,000	41,029,962	28,740,000	31,568,948
Other provinces and provincial guaranteed	45,749,000	44,223,137	24,810,000	26,820,686
Corporate	128,182,722	130,087,150	96,451,649	104,621,719
Municipal	9,498,000	10,622,134	9,498,000	11,691,549
Total bonds and debentures at par value	244,804,722		180,299,649	
Less unamortized discounts	4,301,989		2,266,844	
Total bonds and debentures at amortized cost	240,502,733	247,745,383	178,032,805	197,670,590
Mortgages	20,484,250	21,028,282	22,576,393	23,145,124
Corporate shares	49,708,027	49,325,709	51,393,468	57,368,123
Short term investments	94,369,721	94,369,721	85,535,747	85,535,747
	405,064,731	$412,469,095	337,538,413	$363,719,584
Real estate equities	14,928,738	*	13,013,317	*
Total investments	$419,993,469		$350,551,730	

*No independent valuation of the real estate equities has been conducted as at March 31, 1988. As a result, market values have not been included in this schedule.

4. Members' Accumulated Balances

This item represents the aggregate of employer and employee contributions together with proportionate earnings of the Fund as allocated at each fiscal year-end. Proportionate earnings are also allocated during the year in respect of termination refunds and other benefits based on the rate prevailing at the previous fiscal year-end.

An amendment to the Superannuation (Supplementary Provisions) Act established revised vesting provisions for the Plan for contributors who commenced employment on or after August 1, 1982. For these persons, all contributions and earnings thereon will be permanently vested and locked in when the contributor reaches age 25 with one year of service, or at the completion of one year of service if over the age of 25 years at commencement of employment. For persons who commenced employment prior to August 1, 1982, all contributions and earnings thereon will continue to be permanently vested and locked in upon completion of three years' participation in the Plan.

The approximate portion of the accumulated balances which is vested at the respective fiscal year ends is summarized below:

	1988	1987
	(000's)	(000's)
Amount vested	$413,175	$339,650
Amount not vested	7,188	7,619
Total members' accumulated balances	$420,363	$347,269

5. Related Party Transactions

In accordance with section 39(4) of The Superannuation (Supplementary Provisions) Act all general administrative and employee costs required for the administration of the Fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

6. Subsequent Events

a) **Administration Costs**

On June 28, 1988 subsection 39(4) of The Superannuation (Supplementary Provisions) Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act, 1988. The amendment, which is retroactive to April 1, 1988, establishes that sums required for the purpose of administering The Public Employees (Government Contributory) Superannuation Fund shall be a charge on and paid out of that Fund. The annual operating expenditures for the 1988-89 year associated with the Fund's administration are estimated to be $664,000 and will be paid to the Public Employees Benefits Agency Revolving Fund.

b) **Investment Administration and Management Fees**

Further revisions to The Superannuation (Supplementary Provisions) Act occurred on December 1, 1988 with the proclamation of The Investment Provisions Amendment Act.

An amendment to section 45 also authorizes the Board to enter into any agreement or engage any services considered necessary for the purpose of managing, investing or disposing of all or any assets of the Funds. Furthermore, the costs incurred pursuant to the managing, investing or disposing of the assets are payable out of The Public Employees (Government Contributory) Superannuation Fund.

In June, 1988 the Supervisory Board approved the purchase of 1,200 class A and 126,273 class B shares in The Investment Corporation of Saskatchewan. The Investment Corporation of Saskatchewan was incorporated on June 2, 1988. Broadly stated, the powers of the Corporation are to conduct the business of investment management for any type of incorporated or unincorporated entity, including any fund. The Investment Corporation of Saskatchewan provides investment management services to its shareholders and simultaneously charges investment management fees for its services. The Investment Corporation of Saskatchewan commenced business operations on December 1, 1988 and commenced charging the Public Employees (Government Contributory) Superannuation Fund for its services from that date.

Public Employees (Government Contributory) Superannuation Plan Supervisory Board

Public Employees (Government Contributory) Annuity Fund

Financial Statements

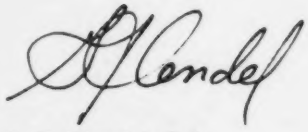
For the Year Ended March 31, 1988

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Annuity Fund as at March 31, 1988 and the statement of annuity fund operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
March 28, 1990

G. F. Wendel, C.A.
A/Provincial Auditor

Statement 1

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Annuity Fund
Statement of Financial Position

As at March 31

	1988	1987
Assets		
Cash	$ 163,834	$ 7,738
Members accumulated contributions receivable	84,749	87,943
Accrued investment income	159,779	56,841
Investments (Note 3)	5,215,275	3,754,418
	$5,623,637	$3,906,940
Liabilities and Deficit		
Liabilities:		
Accounts payable — Public Employees (Government Contributory) Superannuation Fund	$ 67,288	$ 61,737
Accumulated provision for annuities payable (Note 4)	5,815,297	3,988,106
	5,882,585	4,049,843
Fund Deficit (Statement 2)	(258,948)	(142,903)
	$5,623,637	$3,906,940

(See accompanying notes)

Statement 2

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Annuity Fund
Statement of Annuity Fund Operations

Year Ended March 31

	1988	1987
Revenues:		
Transfer of accumulated balances of members electing to have retirement annuities underwritten by the Plan	$1,789,732	$1,254,591
Investment income	460,387	273,204
Total Revenue	$2,250,119	$1,527,795
Expenses:		
Annuities paid	538,973	363,524
Change in accumulated provision for annuities payable (Note 4)	1,827,191	1,327,478
Total Expenses	$2,366,164	$1,691,002
Net (Loss) Income	(116,045)	(163,207)
(Fund Deficit)/Fund Surplus — beginning of year	(142,903)	20,304
Fund Deficit — end of the year (Statement 1)	$ (258,948)	$ (142,903)

(See accompanying notes)

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Annuity Fund
Notes to Financial Statements

March 31, 1988

1. Significant Accounting Policies

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Accumulated Provision for Annuities Payable**

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan and is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

c) **Investments**

Investments are recorded at cost. Premiums and discounts on the acquisition of bonds and debentures are amortized to earnings over the term of the security. Gains or losses realized upon the sale of investments are recognized in the period of disposition.

2. Description of Fund

The Public Employees (Government Contributory) Annuity Fund (Annuity Fund) was established under provisions of an amendment to the Superannuation (Supplementary Provisions) Act, assented to on June 19, 1985. Annuity activities of the Supervisory Board were conducted through the Public Employees (Government Contributory) Superannuation Fund (PEGF) until March 31, 1986 when assets were transferred to the Annuity Fund to allow for the separate administration of annuity activities. Accordingly, the results of all annuity underwriting activities for the year ended March 31, 1986 and prior years of the Public Employees (Government Contributory) Superannuation Plan are presented in the financial statements of the Public Employees (Government Contributory) Superannuation Fund.

The Annuity Fund was established to create a separate fund for the annuity underwriting operations administered by the Supervisory Board of the Public Employees (Government Contributory) Superannuation Plan. Upon retirement from the Public Employees (Government Contributory) Superannuation Plan, an employee may elect to receive an annuity from the Supervisory Board or from a private annuity underwriter. Annuity payments are provided by the amount standing to the employee's credit in the Public Employees (Government Contributory) Superannuation Fund at the date of retirement. Transfers into the Annuity Fund are from those employees who have elected to receive an annuity from the Supervisory Board. Annuity payments out of the Fund are determined and administered in accordance with regulations issued pursuant to subsection 44(1) of The Superannuation (Supplementary Provisions) Act.

3. Investments

	1988		1987	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Province of Saskatchewan	$ 250,000	$ 246,875	$ —	$ —
Corporate	3,646,680	3,598,324	1,897,829	1,960,601
Total bonds and debentures at par value	3,896,680	3,845,199	1,897,829	1,960,601
Less unamortized discounts	5,335		—	
Total bonds and debentures at amortized cost	3,891,345		1,897,829	
Short term investments	1,323,930	1,323,930	1,856,589	1,856,589
Total investments	$5,215,275	$5,169,129	$3,754,418	$3,817,190

4. Accumulated Provision for Annuities Payable

As discussed in Note 1, the accumulated provision for annuities payable represents the present value of the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan and is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

An actuarial valuation of the Public Employees (Government Contributory) Annuity Fund was performed as at March 31, 1988. The actuarial valuation was based on a number of assumptions about future events such as interest rates and mortality. The interest rate assumptions used reflect management's best estimate of the expected long term rate of return on the Annuity Fund's assets. The consulting actuaries estimated the total provision for annuities payable, at the valuation date to be $5,815,297.

5. Related Party Transactions

In accordance with section 39(4) of The Superannuation (Supplementary Provisions) Act, all general administrative and employee costs required for the administration of the Fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

6. Subsequent Events

a) **Administration Costs**

On June 28, 1988, subsection 43(1) of The Superannuation (Supplementary Provisions) Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act, 1988. The amendment, which is retroactive to April 1, 1988 establishes that sums required for the administration of The Public Employees (Government Contributory) Annuity Fund shall be a charge on and paid out of that

Fund. The annual operating expenditures for the 1988-89 year associated with the Fund's administration are estimated to be $26,000 and will be paid to the Public Employees Benefits Agency Revolving Fund.

b) **Investment Administration and Management Fees**

Further revisions to The Superannuation (Supplementary Provisions) Act occurred on December 1, 1988 with the proclamation of The Investment Provisions Amendment Act.

An amendment to section 45 authorizes the Board to enter into any agreement or engage any services considered necessary for the purpose of managing, investing or disposing of all or any assets of the Funds. Furthermore, the costs incurred pursuant to the managing, investing or disposing of the assets are payable out of The Public Employees (Government Contributory) Superannuation Fund.

In June, 1988 the Supervisory Board approved the purchase of 1,200 class A and 126,273 class B shares in The Investment Corporation of Saskatchewan.

The unanimous shareholders agreement states that The Public Employees (Government Contributory) Annuity Fund is entitled to shares jointly with The Public Employees (Government Contributory) Superannuation Fund. The shares are currently registered and held by The Public Employees (Government Contributory) Superannuation Fund.

The Investment Corporation of Saskatchewan was incorporated on June 2, 1988. Broadly stated, the powers of the Corporation are to conduct the business of investment management for any type of incorporated or unincorporated entity, including any fund. The Investment Corporation of Saskatchewan provides investment management services to its shareholders and simultaneously charges investment management fees for its services. The Investment Corporation of Saskatchewan commenced business operations on December 1, 1988 and commenced charging The Public Employees (Government Contributory) Superannuation Fund as a registered shareholder for its services from that date.